

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

October 21, 2003

IN RE:)	
)	
PETITION OF MOTION TELECOM, INC.)	DOCKET NO.
FOR TRANSFER OF ASSETS OF UNIVANCE)	03-00478
TELECOMMUNICATIONS, INC.)	

ORDER APPROVING CUSTOMER NOTIFICATION LETTER

This matter came before Chairman Deborah Taylor Tate, Director Sara Kyle, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on September 22, 2003, for consideration of the Notice¹ of a proposed transfer of customer base filed by Motion Telecom, Inc., which requires approval of a customer notification letter pursuant to TRA Rule 1220-4-2-.56(2)(d)(2).

TRA Rule 1220-4-2-.56(2)(d)(2) – (4)

TRA Rule 1220-4-2-.56(2)(d)(2) provides as follows:

- (d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:
- ...
2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the

¹ Considered by the TRA as a petition for approval of a customer notification letter.

telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customers' local or long distance service will be transferred to the acquiring telecommunications service provider by a certain date unless the customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification letter required by the FCC may be used for the notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.
4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter mentioned in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

The Notice

According to the Notice, which was filed with the TRA on August 13, 2003, Univance Telecommunications, Inc. ("Univance") filed a voluntary Chapter 11 petition in the U.S. Bankruptcy Court for the District of Colorado on January 23, 2003. On April 4, 2003, the Bankruptcy Court approved the sale of Univance's Tennessee assets, including eighty customer accounts, to Motion Telecom, Inc. ("Motion"). On this same day, the Parties also entered into a Management Services Agreement under which Motion began providing services to Univance customers under the supervision of Univance. Pursuant

to this agreement, Motion has hired substantially all of Univance's customer service, billing and information systems employees as well as some key senior management. Motion currently has a petition pending before the TRA for a certificate of public convenience and necessity to provide telecommunications services in the State of Tennessee and will officially become the service provider to the eighty affected Tennessee customers after obtaining all necessary regulatory approval. Following the transfer, Motion intends to continue providing service to its Tennessee customers at the same rates, terms and conditions of service.

Pursuant to this transaction, Motion is seeking approval of a customer notification letter concerning the transfer of customer base from Univance to Motion. TRA Rule 1220-4-2-.56(2)(d)(2) provides that, in case of a transfer of customer base from one telecommunications service provider to another, the TRA may deem that the provider whose customer base is being acquired has met the notification requirements of the TRA's anti-slamming rules by sending a letter to its affected customers notifying them of the change in provider. This rule requires TRA approval of the letter and, by implication, of the transfer of customer base. Motion's customer notification letter was sent on June 26, 2003 with the names of Univance and Motion included on the letterhead. While satisfying the overall requirements of the TRA Rule, the notification letter did not inform customers that Motion will provide notice at least thirty days prior to any increase in rates within ninety days of the transfer as required by TRA Rule 1220-4-2-.56(2)(d)(4). This oversight was corrected with a subsequent billing insert.


The September 22, 2003 Authority Conference

At the September 22, 2003 Authority Conference, the Directors voted unanimously to approve the customer notification letter, in conjunction with the subsequent billing insert, and, by implication, the transfer of customer base from Univance to Motion.

IT IS THEREFORE ORDERED THAT:

1. The transfer of customer base from Univance to Motion is approved.
2. The customer notification letter, in conjunction with the subsequent billing insert as described herein, is approved.


Deborah Taylor Tate, Chairman


Sara Kyle, Director


Ron Jones, Director